



MEMORANDUM

To: Louis F. Moret, Interim Chair  
The Policy Subcommittee of the CalPERS Investment Committee

Date: October 17, 2011

From: Pension Consulting Alliance (PCA)

A handwritten signature in black ink, likely of Louis F. Moret, is placed over the 'From' line.

cc:

RE: Alternative Investment Management (AIM)-Investment Policy Revisions

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In its capacity as consultant to the Board for AIM, PCA has been asked to comment on the proposed revisions to the AIM Statement of Investment Policy as follows:

- AIM's Strategic Objective has been revised only to enhance the equity return to the fund. This is consistent with the Program's role outlined in the November 2010 ALM Workshop.
- To provide sub-asset class targets and ranges for the Program. PCA has reviewed the targets and ranges and finds that they generally conform to what other institutional investors in private equity have done to manage aggregate commitment levels to different strategies within the asset class.
- For conformity, the benchmark language has been changed to reflect its inclusion in the Benchmark Policy.

PCA has reviewed the revisions, and is in agreement with them.